



OGX PETRÓLEO E GÁS PARTICIPAÇÕES S.A.
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Publicly Held Company - BOVESPA: OGXP3

Material Fact

- OGX Signs Agreements with OSX to Secure Production Equipment --**
- OGX Sets Production Target of 1.4 Million Barrels per Day by 2019 --**
- Initial Production Expected to Begin in Early 2011, Ahead of Schedule --**

Rio de Janeiro, January 26, 2010 – OGX Petróleo e Gás Participações S.A. (“OGX”) (Bovespa: OGXP3, OTC: OGXPY), the largest Brazilian private sector oil and gas company in terms of offshore exploratory acreage, announced today (i) the signing of a Preliminary Strategic Cooperation Agreement (“Cooperation Agreement”) between OGX and OSX Brasil S.A. (“OSX”) in order to support the demand for Exploration and Production Units (“E&P Units”), (ii) the charter of the production unit, FPSO type (Floating Production Storage & Offloading), OSX 1, and related operation and maintenance services under the previously mentioned agreement, and (iii) expected production targets for the short, medium and long term.

“Our drilling results have revealed a new oil province in the southern part of the Campos basin and broken paradigms regarding the quality and potential of the reservoirs in this area. At this moment, OGX is entering into a new phase in its history, with a focus on reaching our production target of 1.4 million barrels per day by 2019,” said Mr. Eike Batista, CEO and Chairman of OGX. “We have an unparalleled 10 year growth story, based on world-class assets of extraordinary quality,” added Mr. Batista.

Cooperation Agreement between OGX and OSX:

OGX and OSX agreed to the terms and conditions for a Cooperation Agreement to support OGX’s long-term demand for equipment and production services. The agreement establishes a mutual right of first negotiation which applies to the construction of production units in Brazil, as well as the charter and operation of the production units by OSX, at market terms and according to the technical specifications and timeframe required by OGX. The Agreement terms and conditions establish an open book procedure and a target predetermined remuneration margin of 15% in the shipbuilding industry, 5% in O&M services and leveraged return on equity of 15% for the leasing activity.

The equipment will be provided by OSX at competitive prices and will contribute to OGX’s compliance with local content requirement obligations assumed under the concession contracts with ANP. The equipment will be leased, thereby minimizing capital needs for OGX in the short and medium term and optimizing OGX’s use of cash during this period.

The table below presents OGX estimated demand for equipment to reach the production target of 1.4 million barrels of oil equivalent per day (“boepd”) in 2019 based on OGX’s current portfolio.

Equipments	Quantity*
FPSO	19
TLWP	5
WHP	24
Total	48

* Also considers non operated blocks

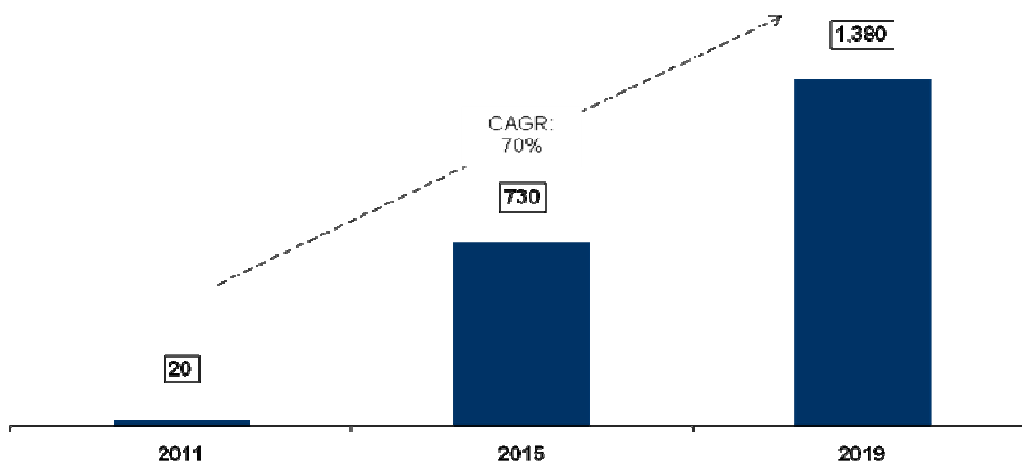
Charter of FPSO OSX 1:

OGX and OSX agreed to the terms and conditions for the charter of the FPSO OSX 1 for a period of 20 years, at an average daily rate of US\$263,000/day. The charter also covers related operational and maintenance services. The OSX 1, built by Samsung Heavy Industries Co. Ltd’s shipyard, is expected to allow OGX to initiate production in early 2011, thus sooner than previously anticipated. The FPSO OSX 1 has a storage capacity of 950,000 barrels and processing capacity of 80,000 barrels per day (“bpd”), expandable to approximately 100,000 bpd.

Production Targets:

The chart below shows OGX’s expected production targets for the short, medium and long term:

In thousands of barrels of oil equivalent per day



ABOUT OGX

OGX Petróleo e Gás SA is focused on oil and natural gas exploration and production in Brazilian offshore sedimentary basins and is Brazil's largest private sector oil and gas company in terms of offshore exploration area, with approximately 7,000 km², as well as 21,500 km² onshore area. OGX has a high potential and diversified portfolio, composed of 29 exploratory blocks in the Campos, Santos, Espírito Santo, Pará-Maranhão and Parnaíba Basins. OGX relies on an experienced management team and holds a solid cash position, with more than US\$4 billion in cash to fund its E&P investments and new opportunities. In June 2008, the company went public raising R\$6.7 billion, then the largest amount ever raised in a Brazilian primary IPO. OGX is a member of the EBX Group, an industrial group founded and under the leadership of Brazilian entrepreneur Eike F. Batista, who has a proven track record in developing new ventures in the natural resources and infrastructure sectors. For more information, please visit the website www.ogx.com.br/ri

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